Message Text

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E.O. 11652: GDS TAGS: EGEN, MX

SUBJECT: VIEWS OF PRESIDENT ECHEVERRIA ON INTERNATIONAL

ECONOMIC STRUCTURE

- 1. SUMMARY: THROUGHOUT A LENGTHY PRESS INTERVIEW ON JULY 6 (SOME DETAILS OF WHICH HAVE BEEN REPORTED SEPTELS (I.E., CUBA, SPAIN, CHILE, BRACEROS, GUERRILLAS), PRESIDENT ECHEVERRIA RETURNED AGAIN AND AGAIN TO THEME THAT NEEDS OF LESS DEVELOPED COUNTRIES AND NEEDS FOR WORLD PREACE AND STABILITY REQUIRE A NEW INTERNATIONAL ECONOMIC STRUCTURE. END SUMMARY.
- 2. UNCTAD CHARTER: AS MIGHT BE EXPECTED, MANY OF LIMITED OFFICIAL USE

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THE PRESIDENT'S COMMENTS WERE DIRECTLY RELATED TO HIS

PROPOSED UNCTAD CHARTER FOR ECONOMIC RIGHTS AND DUTIES OF STATES. HE NOTED THAT THE THIRD WORLD HAD THE VOTES NEEDED AT NEW YORK, BUT, IN ANY CASE, BELIEVED THAT AN AGREEMENT ACCEPTABLE TO ALL COUNTRIES CAN BE REACHED. IN REPLY TO SPECIFIC QUESTIONS, THE PRESIDENT REALISTICALLY RECOGNIZED THAT AN APPROVED CHARTER WOULD BE ESSENTIALLY A MORAL COMMITMENT AND NOT A TREATY. A COUNTRY THAT WAS DEFENDING ITS ECONOMIC INTERESTS AGAINST THE POWERFUL CAPITALISTIC OR SOCIALISTIC COUNTRIES OF THE WORLD COULD USE ARGUMENTS APPROVED BY THE UNITED NATIONS AND WHICH HAD GENERAL SUPPORT.

- 3. SOME OF THE PRESIDENT'S COMMENTS REVEALED A DESIRE FOR A MUCH CLOSER ECONOMIC INTEGRATION OF LATIN AMERICA, PARTICULARLY WITH RESPECT TO THE DEVELOPMENT OF PRODUCER CARTELS. (A FEW DAYS LATER THE PRESIDENT SUGGESTED CREATING LATIN AMERICAN MULTINATIONAL FIRMS AS A MEANS OF CREATING "SELLERS MARKETS" FOR LATIN AMERICA'S NATURAL COMMODITIES.)
- 4. ADMITTING THAT HE WAS NOT AN EXPERT ON NUCLEAR WEAPONS, THE PRESIDENT NEVERTHELESS REITERATED THAT ONLY BY CREATING A NEW INTERNATIONAL ECONOMIC ORDER COULD THE WORLD AVOID CONFRONTATION BETWEEN RICH AND POOR AND AN ULTIMATE RESORT TO NUCLEAR WEAPONS.
- 5. NOTING MEXICO'S ANTICIPATED SELF-SUFFICIENCY IN PETROLEUM, THE PRESIDENT PROPOSED BARTERING CRUDE FOR REFINED PRODUCTS. HE EXPRESSED PARTICULAR INTEREST IN ATTRACTING BRAZILIAN CAPITAL FOR JOINT VENTURES IN PETROLEUM, ELECTRICAL AND RAILROAD INDUSTRIES.
- 6. RESPONDING TO QUESTIONS ON POPULATION POLICY, THE PRESIDENT STRONGLY SUPPORTED FAMILY PLANNING AND FREE CHOICE, AND MADE REFERENCES TO THE CLUB OF ROME'S "LIMITS OF GROWTH" AND TO THE RECENT SALZBURG MEETING WHICH HE HAD ATTENDED. HIS ANSWER, HOWEVER, TO THESE TYPES OF PROBLEMS WAS AN INSISTENCE ON THE FUNDAMENTAL NEED FOR A NEW ECONOMIC STRUCTURE IN THE WORLD.
- 7. THE PRESIDENT CONTINUED TO CRITICIZE MULTINATIONAL FIRMS LIMITED OFFICIAL USE

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GENERALLY, NOTING THEIR ORIENTATION TOWARDS PAYING DIVIDENDS TO STOCKHOLDERS RATHER THAN TO THE GREATER SOCIAL GOALS OF THEIR HOST NATIONS. LATER HE ADDED THAT IT WAS A VERY COMPLEX PROBLEM EVEN TO GET MEXICAN FIRMS TO THINK FIRST OF THEIR COUNTRY AND SECONDLY OF THEIR OWN PROFITS. AT ONE POINT, THE PRESIDENT MADE A VERY POSITIVE STATEMENT IN FAVOR OR PRIVATE ENTERPRISE.

8. COMMENT: IT DOES NOT APPEAR TO US THAT PRESIDENT ECHEVERRIA HAS FIRM PROPOSALS TO MAKE TO THE OTHER LATIN AMERICAN GOVERNMENTS ON PRESENT TOUR THOUGH HE IS CERTAIN TO ADDRESS ALL THE ABOVE POINTS AND MORE. IT IS CLEAR, HOWEVER, THAT MEXICO CAN BE EXPECTED TO LEND SUPPORT AND PROBABLY TO PARTICIPATE IN EFFORTS TO CREATE PRODUCER CARTELS, TO PULL LATIN AMERICAN COUNTRIES INTO CLOSER ECONOMIC UNION, AND TO FAVOR GENERALLY REVISING ECONOMIC ARRANGEMENTS IN FAVOR OF LDC'S. JOVA

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